

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Dennis & Sheila Jensen,
Petitioners-Appellants,

v.

Sioux City Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-107-1359
Parcel No. 8947-26-157-022

On June 1, 2012, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioners-Appellants Dennis and Sheila Jensen requested their appeal be considered without a hearing. They were self-represented. Attorney Jack A. Faith is counsel for the Board of Review. The Appeal Board now having examined the entire record, and being fully advised, finds:

Findings of Fact

Dennis and Sheila Jensen, owners of property located at 711 Helen Street, Sioux City, Iowa, appeal from the Sioux City Board of Review decision reassessing their property. According to the property record card, the subject property consists of a one-story dwelling having 868 total square feet of living area built in 1953. The dwelling has a slab foundation. It has a 5+00 quality grade, 34% physical depreciation, and is in normal condition. The property is also improved by a 448 square-foot, detached garage built in 1967, which has 44% physical depreciation. The improvements are situated on 0.315 acres.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$52,400, representing \$14,300 in land value and \$38,100 in dwelling value. The real estate assessment notice indicates there was a citywide revaluation of residential property in 2011.

The Jensens protested to the Board of Review on the grounds that the property assessment is not equitable compared to like properties in the taxing jurisdiction under Iowa Code section 441.37(1)(a) and that the property is assessed for more than authorized by law under section 441.37(1)(b). They claimed \$40,000 was the actual value and a fair assessment of the property. The Board of Review granted the protest, in part, and reduced the assessment to \$46,200, representing \$8800 in land value and \$37,400 in improvement value.

The Jensens then appealed to this Board with the same claims and seeking the same relief. They purchased the property in April 2006, for \$22,500. Jensens report the property is one of many tract houses in the area. It was built in the early 1950s and is of inadequate construction with three-inch wall studs, low-pitch roof trusses, and slab floors. According to their petition, the wallboard is laminated cardboard Masonite that caused the interior walls to swell with humidity and bow out. They identify a sale comparable, a rental property next door at 717 Helen, with the same construction and layout that sold for \$21,000 in November 2010. No additional information was provided about this property.

Jensens believe most of the houses in the area are in the \$20,000 to mid-\$30,000 range in value. They provided a list of five properties in the area that they believe are representative of property values.

Address	Sale Date	Sale Price	TSFLA	Sale Conditions	2011 AV
717 Helen	11/23/2010	\$21,000	672	Estate Sale	\$47,600
2801 11th	8/12/2010	\$30,000	936	Foreclosure	\$79,200
820 Lewis Blvd	7/8/2009	\$32,000	1090	Different Neighborhood	\$27,300
1508 Rock St	1/15/2011	\$27,000	1069	Not comparable/Sale date	\$39,300
805 Helen	1/15/2009	\$21,000	1008	Foreclosure	\$49,400

While these sales are in the Jensens' identified value range, the Board of Review provided information concerning the sales conditions and location of the properties. The estate sale (717 Helen) and foreclosures (2801 11th and 805 Helen) may not be representative of fair market value without

adjustments to remove any distorting effect of the sale conditions. The properties located at 820 Lewis Boulevard and 1508 Rock Street are one-story dwellings with finished attics dissimilar from the subject property. Since these properties do not appear comparable or the sales are not arms' length, we give this data no weight.

The Board of Review identified eight sales comparables that occurred between 2006 and 2009 to support the assessment. The properties have approximately the same living area as the subject. Seven of the properties have a 5+00 quality grade and are in normal condition, the other property is a 4-10 quality grade and is in normal condition. All dwellings are on approximately 0.20-acre sites and most have detached garages. The properties located at 1833 Glendale Boulevard, 3117, 3200, and 3208 8th Street have no basements. The median sale price per square foot was \$77.04 and the average sale price per square foot was \$72.09. The subject property is assessed at \$60.37 per square foot. The following summarizes the information provided by the Board of Review.

Address	TSFLA	Sale Date	Sales Price	\$SPSF
1833 Glendale Blvd	923	6/27/2008	\$80,000	\$86.67
2917 9th St	910	10/12/2009	\$56,000	\$61.54
3217 10th St	864	4/30/2008	\$69,500	\$80.44
901 Cecelia St	864	6/14/2007	\$72,000	\$83.33
3117 8th St	768	6/25/2009	\$42,500	\$55.34
912 Cecelia St	864	05/05/2006	\$ 69,000	\$79.86
3200 8th St	768	03/01/2006	\$ 57,000	\$74.22
3208 8th	768	12/31/2008	\$ 42,500	\$ 55.34

We note that many of the sales are older; none of the properties sold in 2010, and the 2009 sales are at the lower end of the sale price per-square-foot range. The Board of Review asserts no adjustments were warranted because the comparable properties are similar to the subject property in size, age, and condition. However, we note some differences that may warrant adjustment, especially the time of sale and/or market conditions. Therefore, we give this data limited weight.

The Board of Review also submitted a sale listing for the subject property indicating it was placed on the market in July 2006, for \$59,950 and the listing was cancelled in November 2006, when the list price had been reduced to \$54,950. We find this information is of little relevance because it predates the assessment by nearly five years.

We find the preponderance of the evidence does not support the Jensens' claims of inequitable assessment or over-assessment as of January 1, 2011.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If

sales are not available, “other factors” may be considered in arriving at market value. § 441.21(2).

The assessed value of the property “shall be one hundred percent of its actual value.” § 441.21(1)(a).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The gist of this test is the ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1). The Jensens did not prove by a preponderance of the evidence that their property is inequitably assessed under either test.

In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). The Jensens did not submit sufficient evidence to support their claim that the property is assessed for more than authorized by law as of January 1, 2011.

Viewing the record as a whole, we determine that the preponderance of the evidence does not support Jensens’ claims of inequitable assessment or over-assessment as of January 1, 2011.

Therefore, we affirm the property assessment as determined by the Board of Review. The Appeal Board determines the assessed value of Jensens’ property located at 711 Helen Street, Sioux City, is \$46,200, representing the \$8,800 land value and \$37,400 in improvement value, as of January 1, 2011.

THE APPEAL BOARD ORDERS that the January 1, 2011, assessment as determined by the
Sioux City Board of Review is affirmed.

Dated this 6 day of August 2012.

Jacqueline Rypma
Jacqueline Rypma, Presiding Officer

Richard Stradley
Richard Stradley, Board Chair

Karen Oberman
Karen Oberman, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>8-6</u> , 201 <u>2</u>	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	<u>[Signature]</u>